

1 DR. REUTER: No. I know.

2 COMMISSIONER WILHELM: I don't want you to
3 misread what I'm saying. But that the Commission
4 could examine any of the things that it's supposed to
5 examine without taking into full consideration Native
6 American gambling enterprises along with private
7 gambling, the lotteries, et cetera, et cetera. I do
8 recognize that there is an argument to be made, of
9 which I'm not sure anyone conclusively can predict the
10 outcome -- about the legal question. Given the
11 concept of tribal sovereignty, what happens if the
12 Gambling Commission actually tries to subpoena data
13 from the Native American gambling establishments?

14 My own view is that that issue is
15 considerably more simple than the Native American
16 gambling community would suggest that it is,
17 particularly when you have so many Native American
18 casinos that are operated by regular old gambling
19 companies. But, whatever the outcome of the legal
20 argument might be about subpoenas, I certainly don't
21 want to have anything in any of our documents, at
22 least in so far as I would support them, that makes a
23 distinction here.

24 Now, I am not of the school of thought
25 that wants to, somehow, pay less attention to

1 commercial casinos and say, "let's go look at Indian
2 casinos instead". But the reality is, just taking
3 your statement, Leo, of California, what's driving the
4 expansion of gambling in California and other places
5 is Indian gambling. So it's silly to say that we're
6 going to maybe look at it and maybe not.

7 I think our intent, until and unless some
8 court tells us we can't, would be to seek the same
9 sort of cooperation from the Native American casinos
10 that we do from the private casinos and other gambling
11 enterprises and to expect the same sort of cooperation
12 and to look at them, for purposes of both social
13 impact and economic impact, as not being any different
14 from other kinds of gambling halls.

15 COMMISSIONER DOBSON: It's my
16 understanding that -- as I recall, that the statute
17 requires us to look at the Native American gambling
18 community.

19 COMMISSIONER WILHELM: It does indeed.

20 COMMISSIONER DOBSON: So I agree. We
21 don't want to say anything that implies that's an iffy
22 sort of thing.

23 COMMISSIONER McCARTHY: So, to sum up,
24 there will be no assumption that anything that we
25 authorize any researcher to pursue to obtain complete

1 and useful data in the research he's charged with
2 will exclude any source of gambling, any form of
3 gambling.

4 COMMISSIONER DOBSON: Legal gambling.

5 COMMISSIONER MCCARTHY: Legal gambling.

6 DR. REUTER: Let me just be a little
7 defensive for a moment. I wrote this carefully to
8 reflect a reality that I believe will be important for
9 research purposes, which is: That the casino -- non-
10 tribal casino industry is heavily regulated, and that
11 regulation, among other things, generates a lot of
12 data.

13 so there simply are things that one can
14 study about the non-tribal casino industry that are
15 going to be very difficult to study with tribal
16 casinos. Now, that doesn't mean one shouldn't try,
17 but I wanted a paragraph in here that recognized that
18 the reality for people. The Commission may not be
19 able to do as good a job, maybe even a much less good
20 job, of describing many aspects of the tribal casino
21 industry than it does with the rest of it.

22 COMMISSIONER WILHELM: Well --

23 DR. REUTER: I mean I simply would like to
24 sort of register that.

25 COMMISSIONER WILHELM: I grant part of

1 your premise, Doctor, but I respectfully disagree with
2 your implied conclusion. There's no question that,
3 either because they're public companies and/or because
4 of the state regulatory apparatus --

5 COMMISSIONER McCARTHY: Yes.

6 COMMISSIONER WILHELM: -- some kinds of
7 things are much more reported than -- required to be
8 reported by the commercial gambling --

9 DR. REUTER: To --

10 COMMISSIONER McCARTHY: -- but, on the
11 other hand, two other things are true. One: There is
12 a certain amount of reporting that goes on with the
13 National Indian Gaming Commission. More importantly,
14 this Commission expects and, is entitled to receive
15 and, if it doesn't, should enforce cooperation from
16 the commercial gambling industry with respect to
17 legitimate information requests.

18 I think that we ought to expect and we're
19 entitled to receive and we ought to enforce in
20 whatever ways we can the same kinds of cooperation
21 from the Native American Gaming community.

22 DR. REUTER: Okay. I will make sure --

23 COMMISSIONER McCARTHY: One other point
24 that I would add, since you make reference to the SEC
25 or state regulatory commissions: It may be that we'll

1 want our researcher to frame and present to the
2 National Indian Gambling Commission a series of
3 questions.

4 Now, we know they don't have the staff and
5 many would assume they, therefore, will not have the
6 ability to really collect that data, but we can go
7 through that procedure, and then we may ultimately end
8 up trying to exercise the subpoena power of this
9 Commission to obtain that data.

10 I think that, back to the original point,
11 this sentence implies that that's not a very valuable
12 course to pursue. Well, ultimately, we may be
13 blocked, but, I think, the assumption is that it's
14 extremely important for the totality of the work of
15 this Commission that we try through every course
16 possible to obtain data from all forms of gambling,
17 whoever operates them.

18 DR. REUTER: Well, I will certainly do
19 that.

20 COMMISSIONER DOBSON: Just for a point of
21 information, do we know what percentage of employees
22 in the Native American casinos are Native Americans?
23 I mean that you hear the comment often, that it
24 provides jobs. Is it providing jobs?

25 COMMISSIONER WILHELM: It varies widely,

1 Jim. I mean the most extreme example in the Indian
2 gaming community accurately points out that this is
3 one end of the spectrum --

4 DR. REUTER: Yes, right.

5 COMMISSIONER WILHELM: -- and that it's
6 not necessarily, you know, average. But the most
7 extreme example, of course is the Pequot --
8 Mashantucket-Pequot casino in Connecticut. There are
9 approximately 380 members of the tribe, and there are
10 15,000 employees. So, obviously, 14,000-and-some-odd
11 can't be Native Americans, except to the extent that
12 they may have hired some Native Americans from
13 somewhere else.

14 The Native American gaming community
15 argues, and, I think, validly, that if you go to the
16 other end of the spectrum, that being very small
17 Indian gambling establishments and rural casinos in
18 places like the Dakotas, the proportion of the work
19 force who are themselves tribal members is
20 considerably higher.

21 So it varies. But if you take California
22 as example, where there are nearly 40 Native American
23 casinos, the overwhelming majority of the employees in
24 those nearly 40 Native American casinos are not Native
25 Americans.

1 COMMISSIONER DOBSON: How about
2 management? Are these managed by, as you said, the
3 old gambling people, the old gambling companies?

4 COMMISSIONER WILHELM: Old, and new.
5 Again, in some circumstances, the tribal people
6 themselves have been taking over the management. But
7 Foxwood's, for example, who was then management, is
8 gambling industry people from Vegas and Atlantic City.

9 Mohican Sun, which is the second huge
10 casino that opened recently in Connecticut, is managed
11 by Sun International, which is another huge gambling
12 company. Many of the Las Vegas companies have
13 management contracts with Indian casinos. So there
14 is, again, some Native American management, but,
15 frankly, not a whole lot.

16 COMMISSIONER McCARTHY: Yes. Well, as
17 long as we're on Indian gambling for a moment and
18 since I didn't see any other specific references
19 anywhere in what we have before us here: This is a
20 subject that the federal government and state
21 governments, of course, are trying to grapple with.
22 And we have a Supreme Court decision that's trying to
23 sort out --

24 DR. REUTER: Right.

25 COMMISSIONER McCARTHY: -- the

1 relationships between how much power the state
2 governments have over Indian tribal gambling
3 proposals. And people ask questions like the one Dr.
4 Dobson just asked: How many employees are Native
5 Americans?

6 I don't know how much attention you're
7 going to pay to Indian tribal gambling in the national
8 survey or in other areas. I think we need to stop and
9 talk about that a little bit because I think that
10 Native American leaders do expect different treatment.
11 They do contend that there were privileges conferred
12 on them under treaties and they were treated as
13 nations.

14 And it may be that we really need to take
15 a look -- since this is providing one of the major
16 sources of growth of casino gambling and other forms
17 of gambling in the United States. It may be that we
18 need to think about how we get at this. Now, maybe
19 you're thinking about this as one of your secondary --

20 DR. REUTER: I --

21 COMMISSIONER McCARTHY: I don't know.

22 DR. REUTER: I think this is a serious
23 decision for this Subcommittee. And the way that we
24 have structured the research program, it hasn't
25 singled that out. If we do a national survey, we're

1 going to get very little information that's specific
2 to Native American gambling.

3 I can see that, in particular, a federally
4 funded commission has a sort of peculiar duty to deal
5 with this issue because it is so much a federal
6 government issue. But I think that would mean
7 thinking of some specific tasks that are not really
8 encompassed here that answer questions that you
9 believe are the first order of questions about Native
10 American casinos. I think it's --

11 COMMISSIONER McCARTHY: Yes. It's --

12 DR. REUTER: I mean that's your decision,
13 obviously.

14 COMMISSIONER McCARTHY: Yes. There are a
15 lot of questions being asked: How many are being
16 employed? How is the money used? Does it benefit the
17 other members of the tribe, even if they're not in it?

18 Now, I don't know about the propriety of
19 all of those questions; they're certainly natural
20 questions to ask. Nor do I know whether non-Native
21 Americans have any legal authority to impose will
22 requiring any of these things to happen, but, given
23 the significance of this as a proportion of the growth
24 of gambling in America, it seems to me this Commission
25 ought to be able to produce something useful to help

1 clarify the dialogue in this area other, than a couple
2 of Constitutional opinions.

3 In the five months that I've been floating
4 around this country and asking people, I've run across
5 at least three people that have studied Indian tribal
6 gambling. I remember that in Wisconsin, I looked at
7 one. The two UNLV faculty members -- now there is one
8 left and he's in Missouri somewhere -- Razell or Razel
9 or -- and the other one was --

10 DR. REUTER: Thompson.

11 COMMISSIONER McCARTHY: -- Thompson.

12 DR. REUTER: Right.

13 COMMISSIONER McCARTHY: They did a study
14 of Wisconsin and, I think, another --

15 COMMISSIONER DOBSON: Gazel.

16 COMMISSIONER McCARTHY: Gazel.

17 COMMISSIONER DOBSON: G-A-Z-E-L.

18 COMMISSIONER McCARTHY: Yes. He's the one
19 I was thinking about. They collaborated to do this.
20 I think it included tribal gambling and Wisconsin and,
21 I believe, one other state.

22 DR. REUTER: Minnesota, possibly?

23 COMMISSIONER McCARTHY: Yes. I think it
24 might have been Minnesota. We ask you to give some
25 more thought to this.

1 DR. REUTER: Yes. I mean in some sense,
2 you can turn around exactly what I wrote here, which
3 is precisely because so little is currently known
4 about readily accessible sources about Native American
5 gambling enterprises.

6 COMMISSIONER McCARTHY: Yes.

7 DR. REUTER: This Commission ought to put
8 a particular effort toward gathering it since it may
9 have unique authority for doing so.

10 COMMISSIONER WILHELM: And --

11 COMMISSIONER DOBSON: And --
12 I'm sorry.

13 COMMISSIONER WILHELM: Go ahead, Jim.

14 COMMISSIONER DOBSON: A question that I
15 would have for John, again, just because I'm
16 interested in it.

17 We assume that the natural process is that
18 the Native Americans get together and say, "Let's have
19 a casino," and then they go looking for somebody to
20 help them with it. I wonder to what degree the -- it
21 comes the other way, where the gambling interests say,
22 "We've got to find some Indians," you know?

23 COMMISSIONER WILHELM: Oh, both. Oh, boy.
24 And --

25 COMMISSIONER DOBSON: -- "We've got to

1 find somebody to legalize this thing; Do you guys want
2 to be part of it," you know.

3 COMMISSIONER WILHELM: Both. But there
4 was an article
5 in the Los Angeles Times a few weeks ago about a
6 company from Las Vegas called Rio Casino actually
7 putting up the rather considerable amount of capital
8 that is required for a group of Indians who believed
9 that they ought to be a tribe but have not yet gone
10 through the process of obtaining the federal
11 recognition.

12 Now, think about this for a minute because
13 this was in Southern California. This group wanted to
14 go through the process of getting federal recognition
15 as a tribe, which is a very difficult process. You
16 have to do a lot of anthropological work and so and so
17 on and show the history of the tribe and all that.

18 So this group of people from the Rio
19 company put up a sum of money estimated to be in the
20 area of a million bucks to do this. And this tribe,
21 if it succeeds, will be in Orange County, California.

22 COMMISSIONER McCARTHY: Wow.

23 COMMISSIONER WILHELM: Now, imagine being
24 able to put up the only unrestricted casino in -- so
25 you're right, Jim. It goes both ways.

1 DR. REUTER: Of course, Orange County
2 needs some help.

3 COMMISSIONER McCARTHY: Obviously, it's
4 the Native American tribal gambling that's giving the
5 most competition to the companies that have been in
6 the field there. The threat -- the convention
7 industry sees two major threats. One is the Native
8 Americans, and two is the Internet.

9 Now, having said that, we as a Commission,
10 regardless of what the conventional industry --
11 Harrah's or any other company -- think -- they may
12 have their own reason. This is not a shrinking part
13 of gambling in America. It's a growing part of
14 gambling in America. As a Commission, as someone who
15 has absolutely nothing to do with the industry, I
16 think we need to take a look at this to try to sort
17 this out.

18 I'm sure our colleague Commissioner
19 Loescher will have a lot of opinions on this and
20 comments to make. He's concerned about all forms of
21 gambling, but this would be particularly one of his
22 interests.

23 DR. REUTER: Could I raise an issue? I
24 mean, some of these seem like matters that are
25 appropriate for public hearing, rather than such --

1 COMMISSIONER McCARTHY: That's going to
2 happen. That has already been discussed. That will
3 be a part of the public hearing.

4 DR. REUTER: Yes. And let me say --

5 COMMISSIONER McCARTHY: But what we want
6 you two to think about -- and, I would add, I would
7 endorse the point raised by both of my colleagues
8 here. I see the opportunity for great mischief by
9 non-Native American-owned and -managed companies joint
10 venturing or, somehow, getting a piece of the action
11 of a Native American tribe, an existing tribe. I can
12 see that happening all over the country.

13 COMMISSIONER WILHELM: It's already
14 happening. You mentioned Harrah's. Harrah's, if I'm
15 not mistaken, is the largest single operator of Native
16 American casinos in the country, I think --

17 COMMISSIONER McCARTHY: Really?

18 COMMISSIONER WILHELM: -- or, at least,
19 among the largest single operators.

20 COMMISSIONER McCARTHY: I have a strong
21 feeling that a company that is not Native American
22 should under no circumstances benefit from any of the
23 privileges extended to Native Americans under any
24 treaties, whether it's no certain kinds of taxes not
25 being imposed or whatever the benefit is, or allowing

1 them singular latitude in undertaking their
2 operations.

3 I really think that we need to pull
4 together whatever is out there. Now, there's --

5 COMMISSIONER DOBSON: Yes.

6 COMMISSIONER McCARTHY: There's somebody
7 qualified to do that kind of research.

8 COMMISSIONER WILHELM: If I might just
9 follow that up with one additional thought?

10 You're right, and I hadn't really thought
11 of it this way, I think, Dr. Reuter. Because the
12 governance of the relationship between the states and
13 the Native American gambling enterprises are a
14 function of federal law, as well as treaty or, if not
15 treaty, at least this concept of sovereignty, you're
16 right that a federal commission such as this one
17 probably has not only an opportunity but a
18 responsibility to address those things.

19 So I would look forward to the things that
20 Leo's asking you for. But, in addition, I think it's
21 exceptionally important in going through the steps
22 that you've already recommended that we've sort of
23 preliminarily agreed upon, such as the database, for
24 example, we not act as though to exclude communities
25 that are impacted by Native American any more nor less

1 than by other types of gambling enterprises.

2 There was an earlier document here
3 somewhere that suggested that maybe -- I forget where
4 in this Committee -- a suggestion that maybe we would
5 want to exclude consideration of communities that are
6 impacted by Native American casinos because it's too
7 hard to get at the information and all that. But, at
8 least, with regard to the database stuff and that sort
9 of thing, there's no reason to exclude them.

10 DR. KELLY: And so, to pull together some
11 of the conversation of the last ten minutes, this
12 would help. We went around this tree several times,
13 too, in terms of what questions should or should not
14 be asked of the tribal casinos, versus the non-tribal
15 industry. We tend to have different aspects of that,
16 I think, that we're focusing on here.

17 But what I hear you saying, I think, is,
18 Let's ask the same questions to both sides of this
19 coin. If it turns out that, for legal reasons or for
20 whatever reasons, that the extent to which those
21 questions might be answered might vary somewhat in the
22 tribal community, so be it. we will certainly get
23 good legal advice to guide us in that regard.

24 But let's ask the same questions, whether
25 it's to the standard industry or to the tribal

1 casinos, up front. Then let the chips fall where they
2 may. That would go for the community research, as
3 well, is that the point you're making here?

4 COMMISSIONER WILHELM: I think so, yes.

5 DR. KELLY: Okay.

6 COMMISSIONER McCARTHY: A five-minute
7 break, ladies and gentlemen.

8 (Whereupon, a short recess was taken.)

9 COMMISSIONER McCARTHY: Ladies and
10 gentlemen, the Subcommittee on Research will resume
11 its meeting.

12 Dr. Dobson?

13 COMMISSIONER DOBSON: Okay. As I say,
14 I've got a couple more points. One of them has to do
15 with back on page 1 again.

16 I think, Dr. Reuter, you've made it clear
17 that you feel that face-to-face interviews are going
18 to be, even though expensive, much better than
19 telephone interviews. I think this Subcommittee ought
20 to recommend that. Where the money comes from is
21 another matter. You know, Congress is still
22 interested in this, and maybe they'll fund it. But I
23 think we ought to recommend it.

24 COMMISSIONER McCARTHY: I think we're
25 agreeable with that. So you can take out all the

1 language -- I think if you want to put a couple of
2 sentences in here about, "Accuracy is at stake here
3 for the credibility and the strength of the
4 findings" --

5 DR. REUTER: Yes. Could I make a
6 strategic point here?

7 COMMISSIONER McCARTHY: Sure.

8 DR. REUTER: It probably is not best made
9 in public, but we may end up having to do phone
10 interviews. I mean the money may just not be there.
11 I don't want to sink the phone interviews too badly,
12 but I think that's what we're going to end up with.

13 COMMISSIONER DOBSON: But we could still
14 recommend what's best.

15 DR. REUTER: Right. But --

16 DR. KELLY: We might up combining both,
17 don't you think?

18 COMMISSIONER McCARTHY: Well, I've already
19 asked Dr. Reuter and I think I mentioned this to Dr.
20 Kelly -- to start working up the cost estimates, and
21 this is very difficult. On the national survey, it's
22 a much more difficult document.

23 We have not endorsed all of the other
24 suggestions for research here yet, but this comment
25 goes to those that we do: We may wish to defer

1 something to be in what you've been describing as
2 secondary research projects which would, obviously, be
3 contingent upon our finding money. But we need to
4 come up -- and I hope we can -- by the 31st with some
5 rough cost estimates in these other areas.

6 DR. REUTER: I agree.

7 COMMISSIONER McCARTHY: We want the other
8 members of the Commission to know what it is that
9 we're facing here. On this one, I agree entirely with
10 what Dr. Dobson said. And I think Mr. Wilhelm agrees,
11 as well.

12 COMMISSIONER WILHELM: Yes, I do.

13 COMMISSIONER McCARTHY: We're not going
14 to -- this has to be done in the right way. This
15 national survey is simply too critical, and we have to
16 find a way to get the money.

17 DR. REUTER: Fine. Okay. I shall write
18 it that way.

19 COMMISSIONER McCARTHY: We'll have to find
20 a way to get the money for some of the other things
21 we've been discussing here. The national survey will
22 not be adequate by itself, but it is a critical piece.

23 DR. REUTER: Okay.

24 COMMISSIONER McCARTHY: So I agree with
25 the point just made, and so does Mr. Wilhelm. So

1 let's redraft it to say that.

2 DR. REUTER: Okay.

3 COMMISSIONER McCARTHY: Dr. Dobson, any
4 other comments you still have?

5 COMMISSIONER DOBSON: The last one with
6 regard to the importance of problem and pathological
7 gambling. We have little or no -- there's very little
8 in there that proposes original research in that area.
9 Again, that takes us back to my bias about the NRC.

10 But I wish that we could identify one or
11 two researchers who are qualified to do that and ask
12 for a proposal, a quick proposal, for relatively
13 inexpensive research. Dr. Lorenz, or somebody like
14 that, who has experience at data and patients, to do
15 a study for \$100,000 or \$200,000 or whatever it is
16 that would represent original research on this which,
17 I think, I consider to be the most important subject
18 that we're going to deal with.

19 We could then decide whether to accept or
20 reject the proposal when we see the design.

21 DR. KELLY: On what aspect? That's a
22 broad subject, Jim. Are you thinking of something in
23 particular?

24 COMMISSIONER DOBSON: I think I would
25 leave it to the researcher to tell us what's possible

1 and what information they have access to and
2 availability for. But it would deal with that broad
3 area of the addictions, how people become addicted,
4 how difficult it is to treat addictions, that whole
5 arena.

6 COMMISSIONER WILHELM: Well --

7 COMMISSIONER DOBSON: If you get more
8 specific than that, you might box them in and then --
9 you know.

10 COMMISSIONER WILHELM: Well, for my
11 part -- as I have freely acknowledged before, I don't
12 consider myself terrifically knowledgeable on this
13 subject, but, for my part, I do not have any objection
14 at all to soliciting proposals in that area. But I do
15 recognize, as you've pointed out before, Jim, that
16 there's a chicken-and-egg problem here, or a timing
17 problem.

18 But it was my understanding that part of
19 the -- recognizing your skepticism, Jim, part of the
20 hoped-for results of the NRC study would be to show
21 where the holes are in what is known. That was why I
22 was asking if there was some particular part of this
23 that you wanted to pursue.

24 I don't have any objection to finding out
25 what kinds of proposals people would make if we

1 invited them to make them. Then we could weigh them
2 in terms of the fact that we've already identified
3 what we're not going to look at all and the things
4 that we want to look at.

5 COMMISSIONER DOBSON: Well, we've just
6 laid out a design here, or a plan, that includes no
7 original research in that extremely important area.

8 COMMISSIONER McCARTHY: Well, that's not
9 quite true.

10 COMMISSIONER WILHELM: I would regard the
11 survey --

12 COMMISSIONER DOBSON: We're going to re-
13 analyze the data. Right?

14 COMMISSIONER McCARTHY: No.

15 COMMISSIONER WILHELM: No.

16 COMMISSIONER McCARTHY: We're not talking
17 about that. In the national survey --

18 COMMISSIONER WILHELM: We're talking about
19 a national prevalence survey that doesn't exist.

20 COMMISSIONER McCARTHY: -- we're going to
21 get some ideas about prevalence.

22 COMMISSIONER DOBSON: I think of a survey
23 as different from --

24 DR. REUTER: I understand the point you're
25 making. But I would like to defend where things are

1 now.

2 I mean, the prevalence is clearly an
3 important element, prevalence of pathological
4 gambling, but the whole notion of the targeted surveys
5 is precisely to provide, in a more systematic fashion
6 and well documented descriptions of the behavior
7 itself, the kinds of people that are affected by it
8 and the ways in which it affects their lives and their
9 families.

10 I'm not as knowledgeable about that
11 research into this area as I am in some others. But
12 I think that that does represent potentially a
13 significant addition to the literature. So I think we
14 are doing something that is original.

15 If I might suggest that -- and this could
16 appear temporizing, but I think that we will become
17 more knowledgeable about this in the next few weeks
18 and have a better sense about what are the major gaps,
19 even before the NRC has come up with its research
20 agenda.

21 Perhaps we could signal here that there
22 may indeed be other original research and we will do
23 some, both reading and talking to people in the field,
24 and identify what we think beyond what the NRC has
25 proposed and what was proposed on the survey item,

1 that might usefully be commissioned by the Commission.

2 COMMISSIONER DOBSON: That would satisfy
3 me. If there's a statement there that says, "It may
4 be feasible and wise to do original research in the
5 area of pathological and problem gambling. It will be
6 discussed and considered as we identify the gaps in
7 the literature," something of that nature, so that we
8 leave the door ajar. Okay?

9 DR. REUTER: I do believe there are other
10 federal agencies that would likely be interested in
11 that particular issue. There are agencies that have
12 particular interest in the problems of youth or
13 elderly.

14 COMMISSIONER DOBSON: Yes.

15 COMMISSIONER McCARTHY: That's fine. I
16 think that's useful.

17 COMMISSIONER WILHELM: Absolutely, yes.

18 DR. KELLY: Just to clarify, if you turn
19 to page 9, that's what I was intending to suggest in
20 the break-out of the primary research, versus the
21 secondary research. We haven't walked through this
22 yet, but let me just call your attention to that.

23 COMMISSIONER McCARTHY: Yes.

24 DR. KELLY: It says, "Primary research
25 contracts developed and let this November or

1 December," and then it says two lines down in the
2 middle line, "Secondary research contracts developed
3 and let as needed," I'm just guessing January to June
4 of '98.

5 The whole idea, Dr. Dobson, was that as we
6 identify the gaps that maybe won't be addressed
7 through the NRC or whatever, we will want to come back
8 to the table and say, "Now, what do we need to do?"
9 That might mean a hundred or \$200,000 quick, original
10 study by a Lorenz or somebody.

11 COMMISSIONER DOBSON: That's the
12 timetable. If you put it in the text, that will
13 satisfy me.

14 DR. KELLY: Okay.

15 COMMISSIONER DOBSON: That's fine.

16 COMMISSIONER WILHELM: I agree.

17 COMMISSIONER McCARTHY: You know, you're
18 going to be in touch with people like Henry Lesieur
19 and Rachel Volberg and others along the way here who
20 are really recognized researchers in this area --
21 they're not alone; there are others -- probably even
22 in the formulation of some of the questions that we're
23 talking about here in the targeted surveys, as well as
24 the national survey.

25 DR. KELLY: The other thing we could do

1 that could help address that, I think, is to stipulate
2 in the contract with NRC that we want the list of
3 literature that they will have generated early on.
4 The Commission can look at that and get a read early
5 on in terms of what may or may not be covered in that
6 literature that they're going to be working with. We
7 could even put a date to that, perhaps.

8 COMMISSIONER McCARTHY: Yes. Good.

9 COMMISSIONER DOBSON: Okay.

10 COMMISSIONER McCARTHY: I think it's a
11 good point, and I'm glad you raised it, Jim.

12 COMMISSIONER DOBSON: I sign off.

13 COMMISSIONER McCARTHY: I won't hold you
14 to that.

15 COMMISSIONER McCARTHY: Mr. Wilhelm?

16 COMMISSIONER WILHELM: Let me say to both
17 of you, Dr. Kelly and Dr. Reuter, that I have found
18 this to be quite useful, the document and the
19 discussion following upon it. So I appreciate your
20 efforts in a relatively short period of time.

21 There was a couple of other things that I
22 wanted to mention here, and not necessarily to dwell
23 upon at length. The first one is a repetition of
24 something I already said this morning, but I do want
25 to underscore it.

1 And that is: With respect to your
2 recommendation on page 5 to find, as you put it, "A
3 leading scholar in the field of regional development
4 who has not previously worked in this topic," to at
5 least, minimally, synthesize the work that has already
6 been done with respect to economic impact modeling, I
7 said earlier that I think that's an excellent idea.
8 I think it's a superb idea.

9 I realize you've got an enormous amount of
10 stuff to do when you look at the timetable you were
11 pointing us to on page 9. But I would really urge you
12 to try to pursue that one as quickly as possible for
13 the reason that the sooner we get that product, again,
14 hopefully, from a person of unchallengeable
15 credentials, it could go a long way toward informing
16 us about what else may or may not need to be done in
17 that area.

18 So I think it's a great idea, and I hope
19 that you'll pursue it as quickly as possible.

20 I just want to make three or four other
21 points, hopefully, very quickly. You do mention in
22 here on page 6 the question that we touched upon
23 briefly in our last meeting of this Subcommittee: The
24 characteristics of jobs.

25 I continue to feel that even in this

1 document, it at least appears that the whole question
2 of job quality is short-shrifted. Again, I base that
3 on my experience and having observed and, on a couple
4 of occasions, participated in local debates about
5 whether or not certain kinds of gambling should be
6 expanded.

7 This, like a lot of other aspects of what
8 passes for the public debate, is so uninformed as to
9 be almost a caricature, you know. Opponents of the
10 expansion of gambling say, "Well, these are all
11 hamburger-flipping jobs," and the proponents say,
12 "These are the best jobs in the history of the
13 universe, and everyone will make a fat living for the
14 rest of their lives and have wonderful benefits and be
15 happy," and everything.

16 Obviously, neither of those is
17 particularly accurate. Beyond that sort of silly
18 polarization of the discussion, there's also a whole
19 set of questions about how much employment -- and I've
20 referred to this before, and I apologize for being a
21 broken record -- but how much employment is produced
22 by these different kinds of things.

23 As an example, if you put some form of
24 slot machine or video poker outlet in bars in Montana,
25 I think you'd be hard pressed -- intuitively -- and I

1 can't document this, but I think you'd be hard pressed
2 to show more than a handful of jobs, at best, being --
3 if any, being produced by that. Whereas if you build
4 a 3,000-room destination casino resort in Biloxi that
5 draws people from the eastern half of the United
6 States, arguably, you're probably going to produce
7 more jobs.

8 So I still don't and -- from my
9 perspective -- and I've admitted the bias of my own
10 interests here -- I don't find that whole set of
11 issues, job creation and the quality of those jobs, to
12 be yet enough here in terms of our agenda.

13 DR. KELLY: So you want that drawn out --

14 COMMISSIONER WILHELM: Yes.

15 DR. KELLY: -- and explicated?

16 COMMISSIONER WILHELM: I would like to see
17 that, yes.

18 DR. KELLY: Okay.

19 COMMISSIONER WILHELM: Secondly -- and,
20 again, I know I'm repeating myself a little bit. But,
21 I don't quarrel with what you've written here about
22 the Internet, and we talked about this last time.

23 DR. REUTER: Yes.

24 COMMISSIONER WILHELM: It's emergent, it's
25 hard to study because it's emergent, and all that. I

1 was quite struck that this week in Las Vegas, they had
2 one of these -- I forget what they call it, but they
3 had one of these giant exhibitions where all the
4 people that make these gadgets come in and show, you
5 know, the next generation of slot machines and all
6 that stuff. A gaming expo, I think, it's called.

7 There was a whole area there about
8 Internet gambling, and I must tell you it was quite
9 frightening. When you go look at this stuff and you
10 see how far along they are, it's really frightening.

11 I know that there's a feeling on the part
12 of some folks that, "Well, you know, the commercial
13 casino industry wants to talk about Internet gambling
14 in order to divert attention from commercial
15 gambling." There may be people in the casino industry
16 who have that goal in mentioning Internet gambling,
17 but, by the same token, that doesn't mean it's not a
18 subject of great importance.

19 In looking at how far along that industry
20 already is at this expo this week, I was quite amazed.
21 Without making a specific proposal, I think we're
22 ignoring reality if we don't pay more attention to
23 that.

24 Or let's put this a different way: If we
25 issue our report in more or less two years from now,

1 and we short-shrift this issue, I think we'll find
2 ourselves to be ridiculed fairly quickly because, I
3 think, five years from now, that issue's going to be
4 enormous. If not sooner. What really drove that home
5 to me was looking at the gadgetry that they already
6 have operating at this thing this week. It was quite
7 sobering.

8 DR. REUTER: Just think of the devastating
9 impact of solitaire on every PC. The work force costs
10 of solitaire are just phenomenal.

11 DR. KELLY: That's probably true.

12 COMMISSIONER WILHELM: Well, it's tough to
13 bet on that.

14 DR. KELLY: We took that off our computers
15 in Virginia for that reason, seriously.

16 Are you suggesting, Commissioner Wilhelm,
17 that perhaps Internet gambling should move from the
18 category of possible topics up to the more prominent
19 area of topics to be addressed?

20 COMMISSIONER WILHELM: I don't have a
21 specific suggestion. I think Leo pointed out in an
22 earlier meeting that maybe that's an appropriate --
23 maybe that's a subject best looked at through hearing,
24 rather than through research.

25 But it seems to me that, at a minimum, if

1 we're going to have a hearing that relates in part to
2 that, somebody should have done some fairly
3 comprehensive work before hand -- not just show up at
4 the hearing and say, "Oh, my goodness, this is going
5 to be a problem," but to show up at a hearing and say,
6 "Well, here's where this stuff is now, and here's
7 where people who know about technology predict it
8 could be shortly," because it's going to get away from
9 us in a hurry, in my opinion.

10 DR. REUTER: Could I again make a
11 suggestion about a sort of process here? Which is
12 that we, in fact, commission a review by a scholar in
13 this area -- the small number of them, we've
14 identified one -- and get that done fairly promptly.
15 On the basis of that, the Commission could make a
16 decision about the extent to which this can be
17 addressed simply through hearings and subpoenas and
18 the extent to which, in fact, it needs to do targeted
19 research.

20 COMMISSIONER WILHELM: I'd be for that.
21 I don't know how my colleagues would feel, but I would
22 support that.

23 COMMISSIONER McCARTHY: I would, too.

24 DR. REUTER: Okay.

25 COMMISSIONER McCARTHY: That's fine.

1 COMMISSIONER DOBSON: Yes. It's at the
2 other end of the continuum from the old concept of
3 gambling, where it was out in the desert and you had
4 to specifically --

5 COMMISSIONER WILHELM: Go there.

6 COMMISSIONER DOBSON: -- go there. And,
7 now, the Internet brings it right straight into your
8 living room.

9 COMMISSIONER WILHELM: And your kids'
10 living room.

11 COMMISSIONER DOBSON: Yes.

12 COMMISSIONER WILHELM: The last point of
13 this kind that I wanted to make -- and this is not
14 addressed at any particular portion of the documents
15 you've produced which, again, I found to be quite
16 useful. I still believe that -- in spite of all of
17 the specific areas that we're trying to either look at
18 or perhaps conclude we can't look at, I still think
19 that what, I believe, is the fundamental thing that
20 caused this Commission to exist in the first place is
21 mostly missing, and that is: I think we ought to be
22 directly, rather than by implication, looking at the
23 question of what indeed is driving the expansion of
24 gambling in this country. If it wasn't for the rapid
25 expansion of gambling in this country, this Commission

1 would not exist, in my view, at least.

2 I don't think that we're going to end up
3 with any kind of an understanding of what is driving
4 the expansion of gambling if we look at all of these
5 things in compartments. I think that they are much
6 more inter-related.

7 I mean, just as one example, I don't think
8 there's any shred of doubt that the people of Michigan
9 would not have voted to authorize full-blown casino
10 gambling in the city of Detroit but for a complex of
11 factors that include, certainly, the economic straits
12 in which the city of Detroit finds itself. But that's
13 not new.

14 Certainly, it has to include the impact of
15 Native American gambling in Michigan and Wisconsin and
16 other contiguous areas. Certainly, it has to include
17 the impact of the casino in Windsor, Ontario, Canada,
18 which is five minutes across the river, you know, and
19 probably lots of other things that I don't even know
20 anything about.

21 I just worry that we're losing the forest
22 for the trees here, and I don't have a specific
23 solution to that. If it's true that this Commission
24 basically got created because of a level of concern
25 about the rate of the expansion of gambling, then, it

1 seems to me, if we end up saying a whole bunch of
2 specific things and you know -- we have a lot of
3 bricks and we don't build a house out of them, we've
4 sort of missed the boat somehow.

5 I don't have a recommendation that follows
6 on that. But that's just a --

7 DR. REUTER: I mean it is a good question.
8 Why has this taken off at this particular time? If
9 you want to ask about how one could shape the future
10 development of gambling, answering that question seems
11 important. Whether that's a researchable question is
12 the thing that, at the moment, I'm stuck on. At the
13 moment, I don't know how to do that.

14 If the Subcommittee is comfortable with
15 it, I'd be willing to have this as sort of maybe a
16 small set of topics which we were unable at this stage
17 to address, which would nonetheless be of
18 significance. That would be an item in there.

19 COMMISSIONER WILHELM: The last matter
20 that I wanted to raise, Leo, which may or may not be
21 a matter for this particular Committee but is a
22 matter, at least, for the Commission, in my view. At
23 least to think about. I mentioned this briefly at the
24 last Committee meeting, and I didn't have any
25 information or any facts then. But I sent out

1 something to you guys just a day or two ago on this,
2 and I sent it to the Commissioners.

3 The Congress, as I understand it, has
4 appropriated \$200,000 for the purpose of asking the
5 United States Treasury Department to study the
6 relationship between gambling and bankruptcy. Now,
7 obviously, the Congress can do whatever it wants, and
8 most of us do not have much to say about that.

9 But in recognizing that Congress can do
10 whatever it wants, I raised the issue of whether, even
11 though our law charges us with looking at that
12 issue --

13 And, Jim, you recently sent us some
14 material about that.

15 -- I wonder, given the scarcity of
16 resources, whether it makes any sense or -- let me
17 just rephrase that because I don't have a conclusion
18 on it. It seems to me that we ought to, at least,
19 think about whether, if the Congress has given the
20 Treasury Department \$200,000 to do that, whether we
21 ought to bother.

22 I don't know, by the way, if there are
23 other such things. I am told that the sponsor of this
24 provision which, apparently, popped up in the
25 conference process -- and so it didn't have an

1 official sponsor in the sense that legislation
2 normally does -- was Congressman Wolf, who, you know,
3 is part of the progeny of this Commission.

4 So I don't know if there'll be other
5 issues that people, either Congressman Wolf or others,
6 are proposing to have the Congress study that we're
7 supposedly also studying. I don't, frankly, have any
8 stomach for studying something that somebody else is
9 already going to study, since we don't have enough
10 money to start with. So just an issue that either this
11 Committee and/or the Committee --

12 COMMISSIONER DOBSON: When was that done,
13 John?

14 COMMISSIONER WILHELM: Just within the
15 last couple of weeks.

16 DR. REUTER: I've not heard of it.

17 COMMISSIONER DOBSON: Yes. That's news to
18 me.

19 COMMISSIONER WILHELM: I faxed a note to
20 the two of you probably yesterday. And so --

21 COMMISSIONER DOBSON: That's one of those
22 you haven't gotten to yet.

23 We haven't read yesterday's mail.

24 COMMISSIONER WILHELM: I understand. I'm
25 not trying to take an action here.

1 COMMISSIONER McCARTHY: No. That was
2 about a week ago.

3 COMMISSIONER DOBSON: No, no. He said
4 yesterday.

5 COMMISSIONER WILHELM: I don't know when
6 it was. But it's just -- why should we do something
7 somebody else is doing, particularly when the apparent
8 motivating person is the same person?

9 COMMISSIONER McCARTHY: May I make this
10 suggestion? Let's get the language in the
11 appropriations bill and see what area the Treasury
12 Department is supposed to cover in terms of looking at
13 the securities/gambling and then consider what we
14 should do.

15 Quite frankly, given the enormous amount
16 we've already got on our plate, I'm not sure we get to
17 gambling in the securities industry --

18 COMMISSIONER WILHELM: No, no.

19 DR. REUTER: No.

20 COMMISSIONER WILHELM: This is straight
21 personal bankruptcy.

22 DR. REUTER: Bankruptcy.

23 COMMISSIONER WILHELM: Straight personal
24 bankruptcy.

25 DR. REUTER: It's exactly one of the

1 things that we --

2 COMMISSIONER DOBSON: You haven't read
3 your mail, either.

4 COMMISSIONER McCARTHY: No. I read it.
5 But --

6 COMMISSIONER WILHELM: Straight personal
7 bankruptcy.

8 COMMISSIONER McCARTHY: I guess I started
9 reading into it that he was talking about the
10 securities industry.

11 COMMISSIONER WILHELM: Or, at least, as I
12 read it, it was personal bankruptcy.

13 MS. FLATT: That was my impression,
14 personal bankruptcy.

15 DR. REUTER: It's astounding. Frankly, I
16 can't imagine that Treasury has the slightest has the
17 slightest taste of doing it. And it's just some way
18 of --

19 COMMISSIONER DOBSON: Well, they've been
20 instructed to.

21 DR. REUTER: Yes. But I'm saying that
22 they may well welcome --

23 COMMISSIONER DOBSON: Well, once we --

24 COMMISSIONER McCARTHY: Yes.

25 COMMISSIONER DOBSON: Once we find out

1 that we can co-fund studies, maybe we can approach the
2 Treasury Department and get that \$200,000.

3 COMMISSIONER WILHELM: The House --

4 COMMISSIONER DOBSON: It would cost us
5 \$620,000 and we wouldn't get it done for 15 months.

6 COMMISSIONER WILHELM: This appropriation
7 originated in the House Committee report on the
8 Treasury, Postal and General Government Appropriations
9 Bill. And the House Committee report on the bill says
10 the following:

11 "The Appropriations Committee is concerned
12 about the rising number of bankruptcies in the United
13 States and the causes thereof and its effects on
14 creditors. Therefore the Committee has included
15 \$200,000 for the Secretary" -- that is, of the
16 Treasury -- "or his designee to study the relationship
17 between gambling and bankruptcies."

18 "The study shall identify, but not be
19 limited to, the number of bankruptcies caused by
20 gambling debts and the effect on payments to the U. S.
21 Treasury. The Secretary shall report on his findings
22 to the Committee no later May 15, 1998."

23 DR. REUTER: "Or his designee," may be
24 the --

25 COMMISSIONER DOBSON: Ask him for his

1 money.

2 DR. KELLY: Could I make a suggestion?

3 COMMISSIONER McCARTHY: Yes.

4 DR. KELLY: Because you've raised two
5 sorts of related issues. One is: Let's don't miss
6 the forest for the trees. And the other is the
7 question of possible redundancy.

8 If you look at the findings section on the
9 legislation, I don't think that the intent was to ask
10 the question of, "Why is this occurring," but, rather,
11 to get good information on the table for the sake of
12 state and local and federal legislators who are having
13 to pass regulatory legislation on gambling. I think
14 that's we're doing.

15 But, you're asking two questions: What's
16 the forest? -- and let's make sure we don't miss it
17 and, is there any redundancy here? Shouldn't someone
18 perhaps contact Congressman Wolf and bring this
19 pointedly to the table for discussion?

20 COMMISSIONER McCARTHY: All right. I
21 will --

22 DR. KELLY: -- just to make sure?

23 COMMISSIONER McCARTHY: I will undertake
24 contacting Congressman Wolf. I think you know him
25 fairly well, so maybe you'd like to join me in that

1 conversation.

2 DR. KELLY: Good. Great.

3 COMMISSIONER WILHELM: Our next meeting,
4 if I'm not mistaken, is in his district.

5 COMMISSIONER McCARTHY: It is.

6 COMMISSIONER WILHELM: The Halloween
7 meeting.

8 DR. KELLY: Oh, right.

9 COMMISSIONER WILHELM: I'm pretty sure
10 it's in his district.

11 DR. KELLY: But that would help to give us
12 some --

13 COMMISSIONER McCARTHY: All right. Are we
14 finished with that point?

15 COMMISSIONER WILHELM: Yes, sir.

16 COMMISSIONER McCARTHY: All right. Well,
17 turn to page 7, please.

18 (Pause.)

19 COMMISSIONER McCARTHY: "As can be seen,
20 six of the nine question sets on pathological and
21 problem gambling built by the Research Subcommittee
22 are addressed by the NRC proposal." And then the
23 following sentences are -- does the Subcommittee want
24 to make a firmer recommendation as to what we want to
25 do? For instance, if you're writing back to the NRC,

1 if we're going to pursue that, do we want to have some
2 conversation with Carol Petrie to add Number 8?

3 DR. KELLY: Yes. And now would be the
4 time for that --

5 COMMISSIONER McCARTHY: Yes.

6 DR. KELLY: -- before we go back to them
7 with a proposed contract.

8 COMMISSIONER McCARTHY: Right. So that's
9 the first thing.

10 The second thing is on Number 6. Your
11 point is that we're going to include that in other
12 surveys that we're undertaking?

13 DR. KELLY: Uh-huh.

14 COMMISSIONER McCARTHY: And then Number 9,
15 you're recommending we could drop it.

16 DR. KELLY: Yes, that was a
17 recommendation. Basically, I pulled this together
18 just by going over the nine question sets that this
19 Subcommittee generated and comparing that on a point-
20 by-point basis with the six areas that NRC put forward
21 as their way to address that. That's what's on
22 Attachments A and B. Those are the three gaps that I
23 came up with, and any guidance would be helpful.

24 COMMISSIONER McCARTHY: Now, when we're
25 talking about comparative information, tell me what

1 you mean by that.

2 DR. KELLY: Yes. It's under Attachment A
3 of Point 9.

4 COMMISSIONER McCARTHY: Yes?

5 DR. KELLY: It reads like this: "What
6 monetary and measurable costs" -- and this is
7 Attachment A to this document.

8 COMMISSIONER McCARTHY: I'm looking.

9 DR. KELLY: -- "are directly attributable
10 to pathological and problem gambling, and how do these
11 costs compare with average measurable costs directly
12 attributable to people with other compulsive
13 behavioral problems whose similarities with
14 pathological problem gambling are clinically proven
15 and generally accepted by the appropriate medical or
16 psychological authorities."

17 So I took this to say that the idea would
18 be to look at the costs -- I guess, personal and
19 public costs, and economic costs -- of problem and
20 pathological gambling --

21 COMMISSIONER McCARTHY: Okay.

22 DR. KELLY: -- and compare it to other
23 syndromes altogether.

24 COMMISSIONER McCARTHY: All right.

25 COMMISSIONER WILHELM: Alcoholism and --

1 DR. KELLY: Yes. Alcoholism and whatever.

2 COMMISSIONER McCARTHY: The point is that
3 the cost of gathering that data could outweigh its
4 benefits.

5 DR. KELLY: I wasn't sure that it was as
6 on the money as some of the other questions, as well.

7 COMMISSIONER McCARTHY: Okay.

8 DR. KELLY: So it seemed to be a little
9 bit to the side.

10 COMMISSIONER McCARTHY: Do either of you
11 have an opinion about that?

12 COMMISSIONER DOBSON: Jim, this was
13 your --

14 COMMISSIONER McCARTHY: I agree with the
15 point. So why don't we just more specifically
16 recommend that we drop Number 9 --

17 DR. KELLY: Okay.

18 COMMISSIONER McCARTHY: -- with, "The
19 Subcommittee recommends," and the Subcommittee
20 recommends that we add Number 8 to the NRC proposal?

21 DR. KELLY: Yes. And, actually, we're not
22 dropping all of Number 9. We're including that first
23 statement, "What monetary and measurable costs are
24 directly attributable."

25 COMMISSIONER McCARTHY: Yes.

1 DR. KELLY: That will be addressed, but
2 this comparative data will be dropped.

3 COMMISSIONER McCARTHY: What the
4 Subcommittee is recommending is that the substance of
5 Number 6 will be included in the other areas of
6 research.

7 DR. KELLY: Right.

8 COMMISSIONER McCARTHY: And you might be
9 more specific.

10 DR. KELLY: Well, let's see.

11 COMMISSIONER McCARTHY: You don't have to
12 do it right now.

13 DR. KELLY: Oh, okay.

14 COMMISSIONER McCARTHY: When you're
15 redrafting this --

16 DR. KELLY: But you just want us to go
17 ahead and flesh that out?

18 COMMISSIONER McCARTHY: Yes.

19 DR. KELLY: Okay.

20 COMMISSIONER McCARTHY: Where else would
21 that information be developed in the various
22 components we've been discussing in the last couple of
23 hours?

24 DR. KELLY: Yes. Part of that gets right
25 back to this question of what data might we get from

1 the industry itself --

2 COMMISSIONER McCARTHY: Right.

3 DR. KELLY: -- and what might we do with
4 targeted surveys and then gets right back to that.

5 COMMISSIONER McCARTHY: Right.

6 DR. KELLY: Okay. Could I, if I could,
7 ask you, perhaps, to take a look at the first
8 paragraph under, "Other Topics," page 7, where we talk
9 about ACIR? Any thoughts or directions on that would
10 be welcome at this point, as well.

11 Basically, what this paragraph says is
12 that the work of ACIR could be very limited and very
13 focused on these three areas: current listing of
14 gambling available in different jurisdictions;
15 database of statutes and regulations; and revenues
16 generated through taxation.

17 That could, in fact, be the task that we
18 go to ACIR to ask of them. Then it would be a matter
19 of, you know, beginning negotiations there and coming
20 up with a reasonable price.

21 COMMISSIONER DOBSON: That's an oxymoron.

22 DR. KELLY: Perhaps.

23 COMMISSIONER McCARTHY: I think what the
24 Subcommittee needs is as good estimates as you can
25 come up with on the other components of research that

1 we've been talking about here today.

2 Mr. Griffiths, on behalf of ACIR, has
3 given us his estimates that were refined estimates in
4 further correspondence with you, Dr. Kelly.

5 DR. KELLY: Uh-huh.

6 COMMISSIONER McCARTHY: Then, looking at
7 all those dollar numbers, we're going to have to find
8 out whether the Subcommittee will get the -- should
9 there be an additional million provided by Congress.
10 We need to talk about the specific information
11 regarding that; we need to find out just what part of
12 that we will get for the research budget.

13 We need to review the GSA problem with --
14 what is the term when we -- ?

15 DR. REUTER: Co-funding.

16 COMMISSIONER McCARTHY: -- co-funding with
17 other federal agencies like the Treasury Department.

18 DR. KELLY: That would be a good case in
19 point.

20 COMMISSIONER McCARTHY: Then, I think,
21 we'd be better able to put in place how much money we
22 can spend on the compilation of all statutes. It may
23 be that a couple of these things assigned to ACIR in
24 the enabling statute we would consider more valuable
25 than other areas assigned to them.

1 The final point is: Now that we have a
2 better idea about the overall research, I really want
3 to understand what the process would be in going out
4 and selecting top-notch researchers to cover these
5 areas and how any specific work done by ACIR would fit
6 nicely into that larger context of research.

7 DR. KELLY: Okay.

8 COMMISSIONER McCARTHY: There are two
9 considerations for me: How to reallocate the money;
10 and what's the best process to yield the best
11 research, and how do they fit in there.

12 DR. REUTER: So you mean for the purpose
13 just of the immediate changes that we'll make and
14 submit to you prior to October -- and sending it out
15 to the rest of the Committee, we're not going to
16 answer those questions. We're going to say that those
17 are the questions that have to be addressed?

18 COMMISSIONER McCARTHY: That's correct.

19 DR. REUTER: Fine.

20 COMMISSIONER McCARTHY: Is that acceptable
21 to you in general?

22 COMMISSIONER DOBSON: Yes, sir. That's
23 helpful.

24 COMMISSIONER McCARTHY: Other questions
25 that you wish to raise on any part of this?

1 COMMISSIONER DOBSON: Again, I'd like to
2 commend the two gentlemen who did the hard work on
3 this.

4 COMMISSIONER McCARTHY: One minor -- how
5 did you call it, nit- --

6 COMMISSIONER DOBSON: Nit-picking?

7 COMMISSIONER McCARTHY: Nit-picking. I
8 want to raise a nit-picking topic. Is that sort of
9 like tweaking? Is that --

10 COMMISSIONER WILHELM: You're never
11 letting that one go, are you, Jim?

12 COMMISSIONER McCARTHY: Tweaking is at a
13 much higher level than nit-picking. Nit-picking is --

14 COMMISSIONER DOBSON: Right.

15 COMMISSIONER McCARTHY: So I guess I have
16 to say that what I'm about to say is higher than nit-
17 picking but lower than tweaking.

18 Right at the very beginning, when you
19 mention the August 14 meeting, "The Subcommittee
20 prepared" --

21 DR. KELLY: I'm sorry. What page are you
22 on?

23 COMMISSIONER McCARTHY: Right at the top.
24 Right at the very beginning. The draft page 1.

25 DR. KELLY: Okay.

1 COMMISSIONER McCARTHY: I think you need
2 to insert in there, "And the Committee endorsed" --

3 COMMISSIONER WILHELM: Good point.

4 DR. KELLY: Okay.

5 COMMISSIONER McCARTHY: -- "on" -- what
6 was it, August 18? I can't remember the date of our
7 last Commission meeting? Whenever it was --

8 COMMISSIONER WILHELM: The 19th and 20th,
9 I think.

10 COMMISSIONER McCARTHY: Okay. You need
11 to --

12 DR. KELLY: Okay.

13 COMMISSIONER McCARTHY: -- put the 19th,
14 the day that this was taken up.

15 DR. KELLY: Fine. Great.

16 COMMISSIONER McCARTHY: Okay?

17 DR. KELLY: Could I just say -- some
18 recognition is due here. Dr. Reuter is far and away
19 the lead author of this document.

20 It has been an absolute pleasure to work
21 with you, Dr. Reuter. I must say I've collaborated on
22 a lot of research efforts over the years, but I've
23 never quite seen someone pull together such a document
24 in such a short period of time as you did with little
25 input from me and others. You're to be commended on

1 that.

2 DR. REUTER: The advantage is having done
3 it once 20 years ago.

4 COMMISSIONER McCARTHY: Nice call, that.

5 DR. KELLY: So it was an excellent choice
6 to have him on board.

7 COMMISSIONER McCARTHY: All right. Ladies
8 and gentlemen, thank you for your attendance.

9 And, gentlemen, thank you, very much. I
10 think we've had a rather good discussion on this.

11 Thank you, all.

12 (Whereupon, at 1:45 p.m., this
13 Subcommittee meeting was concluded.)

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